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Counterfeit tax stamps fund organized crime, Islamic terrorism and Communism

Sen. David Shafer proposes measure to combat cigarette smuggling

ATLANTA – Sen. David Shafer (R-Duluth) introduced legislation today that will require the Georgia Department of Revenue to implement "digital" cigarette tax technology to combat cigarette smuggling and tax stamp counterfeiting.

"Georgia is losing over \$20 million annually from cigarette smuggling and tax evasion," Sen. Shafer said.

"But this is not just an issue of lost revenue. Cigarette smuggling has national security implications."



A study committee chaired by Sen. Shafer last year found that cigarette smuggling, long the province of organized crime, now is being used to finance Islamic terrorism.

Federal law enforcement officials briefed the members of the study committee on two recent cigarette smuggling cases involving Islamic terrorist groups and presented evidence that the Chinese Army,

which operates over a dozen cigarette manufacturing plants, is exporting counterfeit Marlboros and other high end cigarettes, complete with phony American tax stamps.

Sen. Shafer's committee also found that Georgia is vulnerable to cigarette tax evasion because it uses 1950s era tax stamps that easily are counterfeited.

“Georgia has the highest cigarette tax in the southeast, and a tractor trailer truck of cigarettes is worth \$60,000 more the moment it crosses the border from South Carolina,” Sen. Shafer said. “In higher tax states, cigarette smuggling is more lucrative than the drug trade, without the risk of severe criminal penalties.”

Sen. Shafer's legislation calls for the Georgia Department of Revenue to implement a new digital based system. If passed, the measure will become effective when the General Assembly makes a specific appropriation for the technology. A similar bill is being introduced in the House of Representatives.

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Senator David Shafer is Chairman of the Senate Regulated Industries and Utilities Committee. He represents the 48th Senate District which includes parts of Fulton and Gwinnett Counties. He may be reached at 404-656-0048 or via email at David.Shafer@senate.ga.gov.